EVEREST CAPITAL EMERGING MARKETS LTD.

Financial Statements
(With Independent Auditors' Report Thereon)

Year Ended December 31, 2009

EVEREST CAPITAL

EVEREST CAPITAL EMERGING MARKETS LTD.

CORPORATE INFORMATION

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KPMG
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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders of
Everest Capital Emerging Markets Ltd.

We have audited the accompanying statement of assets and liabilities of Everest Capital Emerging Markets Ltd. (the "Fund") as of December 31, 2009 and the related statements of operations and changes in net assets for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Everest Capital Emerging Markets Ltd. as of December 31, 2009, the results of its operations and changes in net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG

Chartered Accountants
Hamilton, Bermuda
April 13, 2010

EVERREST CAPITAL EMERGING MARKETS LTD.

Statement of Assets and Liabilities

December 31, 2009
(Expressed in thousands of United States Dollars)

Assets		
Investment in Everest Capital Emerging Markets Fund, L.P.		
(the "Partnership") (Note 2(b))	$	356,550
Capital withdrawals receivable from the Partnership		9,697
Other assets		1,482
Total assets		367,729
Liabilities		
Management fee payable (Note 3)		1,380
Redemptions payable		9,697
Other liabilities		1,483
Total liabilities		12,560
Net assets (Note 4)	$	355,169
Net asset value per share (Note 4)		

See accompanying notes to financial statements

EVEREST CAPITAL EMERGING MARKETS LTD.

Statement of Operations

Year Ended December 31, 2009
(Expressed in thousands of United States Dollars)

Net investment income allocated from the Partnership		
Interest income	$	3,078
Dividends (net of withholding taxes of $298)		2,913
Interest expense		(1,493)
Dividends on securities sold short		(352)
Other expenses		(2,401)
Net investment income allocated from the Partnership		1,745
Expenses		
Management fee (Note 3)		(5,204)
Total expenses		(5,204)
Net investment expense		(3,459)
Realized and unrealized gains and losses on investments allocated from the Partnership		
Net realized gains on sale of investments		98,675
Net change in unrealized gains and losses on investments		76,916
Net realized and unrealized gains and losses on investments allocated from the Partnership		175,591
Incentive allocation to the general partner of the Partnership (Note 3)		(457)
Net increase in net assets from operations	$	171,675

See accompanying notes to financial statements

EVEREST CAPITAL EMERGING MARKETS LTD.

Statement of Changes in Net Assets

Year Ended December 31, 2009
(Expressed in thousands of United States Dollars)

Net increase in net assets from operations		
Net investment expense	$	(3,459)
Net realized gains on sale of investments allocated from the Partnership		98,675
Net change in unrealized gains and losses on investments allocated from the Partnership		76,916
Incentive allocation to the general partner of the Partnership		(457)
Net increase in net assets from operations		171,675
Capital share transactions (Note 4)		
Proceeds from issue of Class A Shares		35
Proceeds from issue of Class B Shares		550
Proceeds from issue of Class B1 Shares		1,000
Proceeds from issue of Class C Shares		1,300
Proceeds from issue of Class E Shares		2,629
Payment on redemption of Class A Shares		(40,844)
Payment on redemption of Class Al Shares		(17,600)
Payment on redemption of Class B Shares		(7,717)
Payment on redemption of Class B1 Shares		(50,311)
Payment on redemption of Class C Shares		(1,000)
Payment on redemption of Class D Shares		(2,063)
Payment on redemption of Class D1 Shares		(336)
Payment on redemption of Class E Shares		(2,419)
Net decrease in net assets from capital share transactions		(116,776)
Net increase in net assets		54,899
Net assets at beginning of year		300,270
Net assets at end of year	$	355,169

See accompanying notes to financial statements

1. Organization and description of business

Everest Capital Emerging Markets Ltd. (the "Fund") is a corporation formed under the laws of the British Virgin Islands on December 30, 1994, which commenced business on January 1, 1995. On January 1, 2006, the Fund changed its name from Everest Capital Frontier Ltd. to Everest Capital Emerging Markets Ltd.

The Fund seeks to achieve its investment objective by investing substantially all of its investable assets in Everest Capital Emerging Markets Fund, L.P. (the "Partnership") a limited partnership formed under the laws of the Cayman Islands and having the same investment objective as the Fund. Everest Capital Limited, a Bermuda corporation, is the Fund's investment manager (the "Investment Manager") and is also the general partner of the Partnership in which capacity it is responsible for all investment decisions relating to the Partnership (Note 7). The compensation of the Investment Manager is described in Note 3. Malcolm Stott, a Director of the Fund, is also the Chief Operating Officer and a Director of the Investment Manager.

The investment objective of the Partnership is to achieve superior absolute returns by investing primarily in emerging markets. The general partner of the Partnership invests on an opportunistic basis in debt and equity securities which are neglected, distressed or inefficiently priced as well as capital structure arbitrages and special situations.

The financial statements of the Fund should be read in conjunction with those of the Partnership because its performance is directly affected by that of the Partnership.

As of December 31, 2009, 7.0% of the net assets of the Fund, through direct investment in the Fund's shares and through owning shares of the foreign currency feeder funds which invest in the Fund, were owned by the Investment Manager, a company under common control with the Investment Manager or a director of the Fund.

2. Significant accounting policies

The following are the significant accounting policies adopted by the Fund:

(a) Basis of presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America.

(b) Fair value measurement

Accounting guidelines over fair value measurements defines fair value, establishes a framework for measuring fair value using a three-tier hierarchy of inputs to value the Fund's investments, and requires additional disclosure about fair value. Additional required disclosures are found in the financial statements of the Partnership.

The value of the investment in the Partnership reflects the balance of the Fund's capital account in Everest Capital Emerging Markets Fund, L.P. as of December 31, 2009. The balance of each partner's capital account reflects its proportionate share of the net asset value of the Partnership. As of December 31, 2009, the Fund's capital account in the Partnership represents 74.2% of the Partnership's capital. The Partnership's investments are valued as described in Note 2 of its financial statements.

2. **Significant accounting policies** (continued)

(c) Partnership allocations

The expenses of the Fund are borne by the Partnership except for management fees as described in Note 3. The components of net investment income and net realized and unrealized gains and losses on investments of the Partnership are allocated to its partners in accordance with Note 2(e) of its financial statements.

(d) Allocation of income and expenses

Income and expenses of the Fund are allocated to each share class and to each series within each class, if applicable, in proportion to their relative gross asset value of each share class and series at the beginning of the month after subscriptions or redemptions, if any, at that date. The incentive fee, if any, is calculated based on the performance of each series of each class. Realized and unrealized gains and losses on new issue securities are allocated as described in Note 4.

(e) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

3. **Compensation of Investment Manager**

The incentive fee payable to the Investment Manager of the Fund is 20% of net profits, if any, allocable to each share of common stock, excluding Class E and Class F Shares (Note 4). No incentive fee is charged to a share until all losses previously allocated to the share have been recouped.

In addition, the Investment Manager is entitled to receive quarterly, in arrears, a management fee equal to ¼ of 2.0% (1.5% prior to February 1, 2006) per annum of the net assets of the Fund on the last day of each calendar quarter, excluding Class E and Class F Shares. Special grandfathering provisions are in place that apply to shareholders admitted on or before January 1, 2006 (“Prior Shareholders”) or shareholders who are subject to the same grandfathering provisions by agreement with the Investment Manager. Under these provisions, the Prior Shareholders will continue to be charged a management fee of 1.5% per annum. These special grandfathering provisions are in effect as long as the Prior Shareholders remain invested in the Fund.

The fees payable in the Fund are reduced to the extent that corresponding fees or allocations are due or allocable in the Partnership or affiliated feeder funds in order to avoid double charging the incentive fee and management fee.

4. **Share capital**

The Fund is authorized to issue a maximum of 100,000,000 no par value common shares divided into ten classes designated as Class A, Class Al, Class B, Class B1, Class E and Class F voting common shares (the “Voting Shares”), and Class C, Class C1, Class D and Class D1 non-voting common shares (the “Non-Voting Shares”). All shares have equal dividend, distribution and liquidation rights. Class E and Class F Shares are not charged an incentive fee or management fee and are issued to affiliated feeder funds and funds managed by the Investment Manager. The incentive fees and management fees are charged in the respective funds to avoid double charging.

Effective February 1, 2006, all issued common shares of Class A, Class B, Class C and Class D shares were re-designated as Class Al, Class B1, Class Cl and Class D1 common shares, respectively (the “Pre-Existing Shares”) and are no longer offered. The only exception to this is where shareholders are subject to the same grandfathering provisions by agreement with the Investment Manager as discussed in Note 3 above. With effect from February 1, 2006, the Fund has created and will issue Class A, Class B, Class C and Class D common shares (the “Available Shares”) and continues to offer Class E and Class F common shares. Each class of the Available Shares and its corresponding class of the Pre-Existing Shares are identical except for different management fee arrangements (Note 3).

Class A, Class C and Class E Shares are issued to investors who are considered Unrestricted Persons and Class B, Class D and Class F Shares are issued to investors who are considered Restricted Persons. The profit and losses with respect to new issues will generally be allocated to investors in the Fund that are Unrestricted Persons. The Fund may, however, avail itself of a *de minimis* exemption, according to the Rules of FINRA, pursuant to which a portion of any new issue profits and losses may be allocated to Restricted Persons.

Shares of common stock of each class are generally issued monthly in series. The shares in the first series of each class issued are generally designated as the “Series One” shares of that class. Following the end of each fiscal year, the Fund may consolidate series within each class (with the exceptions of any series that has a loss carry-forward outstanding) into the Series One shares of the respective class, or if Series One shares have a loss carry-forward outstanding, into the earliest series of shares paying an incentive fee within that class.

Shareholders may redeem up to 50% of their shares as of the last business day of each calendar quarter at the net asset value as of the close of business on such redemption date. Any amount requested for redemption in excess of 50% will be paid as of the end of the subsequent calendar quarter. Such redemptions, to be paid at the net asset value as of March 31, 2010 amounted to $351,618 based on the net asset value as of December 31, 2009, are not recorded on the statement of assets and liabilities. The Directors and Investment Manager, in their sole discretion, may waive or modify any terms related to redemptions for a shareholder.

At the discretion of the Investment Manager, shareholders who have transferred from other funds managed by the Investment Manager, or transferred within the Fund, that have a loss carry-forward associated with their investment, will carry-forward their prior high watermark and will be issued a sub-series of shares if an existing series of shares exist for that class of shares.

4. **Share capital** (continued)

The net assets (expressed in thousands), net asset value ("NAV") per share and number of shares in issue of each class and series of shares at December 31, 2009 were as follows:

Share class and series	Number of shares	NAV per share	Net assets of class at December 31, 2009
Class A Shares			
Class A Series 1	612,090.044	$ 59.6616	$ 36,518
Class A Series 2	15,700.262	59.6567	937
Class A Series 3	1,860.048	59.6410	111
Class A Series 7 2009	735.142	59.6616	44
Class A Series 10	53,276.355	57.9375	3,087
Class A Series 11	1,444.940	59.6515	86
Total Class A Shares	685,106.791		$ 40,783
Class Al Shares			
Class Al Series 1	4,677,639.002	$ 60.7893	$ 284,350
Class Al Series 11 2007	14,926.728	60.1357	898
Total Class Al Shares	4,692,565.730		$ 285,248
Class B Shares			
Class B Series 1	8,828.805	$ 59.5980	$ 526
Class B Series 5	3,028.231	59.5944	180
Class B Series 9 2009	4,694.703	58.3376	274
Class B Series 10 2009	5,336.236	58.9222	314
Total Class B Shares	21,887.975		$ 1,294
Class B1 Shares			
Class B1 Series 1	65,211.860	$ 60.7149	$ 3,959
Class B1 Series 8	102,355.783	60.1672	6,159
Total Class B1 Shares	167,567.643		$ 10,118

4. **Share capital** (continued)

Share class and series	Number of shares	NAV per share	Net assets of class at December 31, 2009
Class C Shares			
Class C Series 4 2009	19,822.365	$ 53.9139	$ 1,069
Class D Shares			
Class D Series 7	1,667.419	$ 59.5245	$ 99
Class E Shares			
Class E	225,981.661	$ 73.2700	$ 16,558
Net assets			$ 355,169

4. **Share capital** (continued)

Details of the number of shares issued and redeemed by class and series for the year ended December 31, 2009 were as follows:

Share class and series	Shares at Dec 31, 2008	Shares issued	Shares redeemed	Consolidation/ conversion of shares	Shares at Dec 31, 2009
Class A Shares					
Class A Series 1	1,714,733.606	–	(1,102,643.562)	–	612,090.044
Class A Series 2	23,550.394	–	(7,850.132)	–	15,700.262
Class A Series 3	1,860.048	–	–	–	1,860.048
Class A Series 7 2009	–	735.142	–	–	735.142
Class A Series 10	53,276.355	–	–	–	53,276.355
Class A Series 11	1,444.940	–	–	–	1,444.940
Total Class A Shares	1,794,865.343	735.142	(1,110,493.694)	–	685,106.791
Class Al Shares					
Class Al Series 1	5,125,699.188	–	(448,060.186)	–	4,677,639.002
Class A1 Series 11 2007	14,926.728	–	–	–	14,926.728
Total Class Al Shares	5,140,625.916	–	(448,060.186)	–	4,692,565.730
Class B Shares					
Class B Series 1	127,351.621	–	(118,522.816)	–	8,828.805
Class B Series 4	46,483.359	–	(46,483.359)	–	–
Class B Series 5	3,028.231	–	–	–	3,028.231
Class B Series 9 2009	–	4,694.703	–	–	4,694.703
Class B Series 10 2009	–	5,336.236	–	–	5,336.236
Total Class B Shares	176,863.211	10,030.939	(165,006.175)	–	21,887.975

4. **Share capital** (continued)

Share class and series	Shares at Dec 31, 2008	Shares issued	Shares redeemed	Consolidation/ conversion of shares	Shares at Dec 31, 2009
Class B1 Shares					
Class B1 Series 1	719,241.978	–	(654,030.118)	–	65,211.860
Class B1 Series 2	31,151.434	–	(31,151.434)	–	–
Class B1 Series 3	44,267.570	–	(44,267.570)	–	–
Class B1 Series 3 2009	–	30,393.751	(30,393.751)	–	–
Class B1 Series 4	88,806.195	–	(88,806.195)	–	–
Class B1 Series 5	15,776.877	–	(15,776.877)	–	–
Class B1 Series 6	23,902.782	–	(23,902.782)	–	–
Class B1 Series 7	35,414.556	–	(35,414.556)	–	–
Class B1 Series 8	102,355.783	–	–	–	102,355.783
Class B1 Series 8A	84,950.000	–	(84,950.000)	–	–
Class B1 Series 9	39,858.362	–	(39,858.362)	–	–
Class B1 Series 10	19,376.052	–	(19,376.052)	–	–
Class B1 Series 11 2007	68,983.786	–	(68,983.786)	–	–
Total Class B1 Shares	1,274,085.375	30,393.751	(1,136,911.483)	–	167,567.643
Class C Shares					
Class C Series 2 2009	–	12,332.547	(12,332.547)	–	–
Class C Series 4 2009	–	25,967.206	(6,144.841)	–	19,822.365
Total Class C Shares	–	38,299.753	(18,477.388)	–	19,822.365
Class D Shares					
Class D Series 1	27,846.607	–	(27,846.607)	–	–
Class D Series 3	14,913.842	–	(14,913.842)	–	–
Class D Series 5	15,957.769	–	(15,957.769)	–	–
Class D Series 7	1,667.419	–	–	–	1,667.419
Total Class D Shares	60,385.637	–	(58,718.218)	–	1,667.419
Class D1 Shares					
Class D1 Series 1	9,421.691	–	(9,421.691)	–	–
Class E Shares					
Class E	224,853.682	49,022.728	(47,894.749)	–	255,981.661

5. **Administrator**

Under the terms of the agreement between Citco Fund Services (Bermuda) Limited (the "Administrator") and the Fund, the Administrator provides accounting and administration services to the Fund and receives an annual fee based on the net assets of the Partnership, calculated and payable, by the Partnership, monthly in arrears.

6. **Taxation**

Under current British Virgin Islands legislation, there is no income tax, capital gains or withholding tax, estate duty or inheritance tax payable by the Fund. Because the Fund is not subject to taxation in the British Virgin Islands and it is management's opinion that its method of operations does not result in it being subject to United States income taxes, no provision for taxes has been made in these financial statements.

7. **Subsequent events**

Effective January 1, 2010, Everest Capital LLC replaced Everest Capital Limited as Investment Manager of the Fund.

The Directors have assessed and evaluated all subsequent events arising from the date of the statement of assets and liabilities up until April 13, 2010 and have concluded that, apart from the above, no additional disclosure is required.

8. Financial highlights

Financial highlights of the Fund[1] are as follows:

	Class A Series 1 Shares	Class A1 Series 1 Shares	Class B Series 1 Shares	Class B1 Series 1 Shares	Class C Series 4 2009 Shares	Class D Series 7 Shares	Class E Shares
Per Share Operating Performance:							
Net asset value per share, at beginning of year	$ 34.0781	$ 34.5419	$ 34.0420	$ 34.4996	$ 34.6591	$ 33.9999	$ 40.9898
From investment operations[2]							
Net investment (expense) income	(0.7375)	(0.4961)	(0.7369)	(0.4954)	(0.5315)	(0.7359)	0.3147
Net realized and unrealized gains and losses on investments	26.3210	26.7435	26.2929	26.7107	24.6000	26.2605	31.9655
Incentive allocation to the general partner of the Partnership	–	–	–	–	(4.8137)	–	–
Total income from investment operations	25.5835	26.2474	25.5560	26.2153	19.2548	25.5246	32.2802
Net asset value per share, at end of year	$ 59.6616	$ 60.7893	$ 59.5980	$ 60.7149	$ 53.9139	$ 59.5245	$ 73.2700

8. **Financial highlights** (continued)

	Class A Series 1 Shares	Class A1 Series 1 Shares	Class B Series 1 Shares	Class B1 Series 1 Shares	Class C Series 4 2009 Shares	Class D Series 7 Shares	Class E Shares
	%	%	%	%	%	%	%
Total return							
Total return for the year before incentive allocation	75.07	75.99	75.07	75.99	69.44	75.07	78.75
Incentive allocation	–	–	–	–	(13.89)	–	–
Total return for the year after incentive allocation	75.07	75.99	75.07	75.99	55.55	75.07	78.75
Ratios to average net assets[2]							
Total investment income	1.58	1.90	0.91	1.65	1.81	1.93	1.91
Net investment income (expense) excluding incentive allocation	(1.64)	(1.05)	(1.83)	(0.85)	(1.16)	(1.57)	0.55
Operating expenses[3]	3.22	2.95	2.74	2.50	2.97	3.50	1.36
Incentive allocation	–	–	–	–	10.51	–	–
Total operating expenses and incentive allocation	3.22	2.95	2.74	2.50	13.48	3.50	1.36

[1] Total return and ratios are calculated for the year based on Series One Shares of each class except for Class E Shares which been calculated for the class as a whole, and Class C Series 4 2009 Shares which commenced on April 1, 2009 (total return and ratios are not annualized for periods less than a year). An investor's results may vary from the total return and ratios shown above due to different management and incentive fee arrangements (as applicable), the existence of loss carry-forwards and the starting date of a series.

[2] The per share amounts and ratios reflect income and expenses allocated from the Partnership.

[3] Includes dividend and interest expense.

EVERREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Financial Statements
(With Independent Auditors' Report Thereon)

Year Ended December 31, 2009

EVEREST CAPITAL

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INDEPENDENT AUDITORS' REPORT

The General and Limited Partners of
Everest Capital Emerging Markets Fund, L.P.

We have audited the accompanying consolidated statement of assets and liabilities of Everest Capital Emerging Markets Fund, L.P. and its subsidiary (the "Partnership"), including the consolidated condensed schedule of investments, as of December 31, 2009, and the related consolidated statements of operations, changes in partners' capital and cash flows for the year then ended. These financial statements are the responsibility of the general partner. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the general partner, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Everest Capital Emerging Markets Fund, L.P. and its subsidiary as of December 31, 2009, the results of its operations, changes in partners' capital and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG

Chartered Accountants
Hamilton, Bermuda
March 19, 2010

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Statement of Assets and Liabilities

December 31, 2009
(Expressed in thousands of United States Dollars)

Assets		
Investments in securities, at fair value (cost $331,991) (Notes 4, 5, 6 and 9)	$	353,879
Unrealized gains on open commodity futures contracts (Notes 5 and 6)		1,191
Unrealized gains on open equity index futures contracts (Notes 5 and 6)		376
Unrealized gains on open forward foreign currency exchange contracts (Notes 5 and 6)		2,581
Unrealized gains on open swap contracts (Notes 5 and 6)		10,970
Cash and cash equivalents (Notes 3, 6 and 9)		198,077
Receivable for investments sold		5,064
Dividends and interest receivable		302
Other assets		1,482
Total assets		573,922
Liabilities		
Securities sold short, at fair value (proceeds $51,846) (Notes 5 and 6)		50,710
Unrealized losses on open commodity futures contracts (Notes 5 and 6)		26
Unrealized losses on open equity index futures contracts (Notes 5 and 6)		450
Unrealized losses on open forward foreign currency exchange contracts (Notes 5 and 6)		1,007
Unrealized losses on open swap contracts (Notes 5 and 6)		1,891
Payable for investments purchased		7,840
Dividends on securities sold short and interest payable		230
Management fee payable to general partner (Note 7)		467
Capital withdrawals payable		28,438
Accounts payable and accrued liabilities (Note 2(j))		2,528
Total liabilities		93,587
Partners' capital	$	480,335

See accompanying notes to consolidated financial statements

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Condensed Schedule of Investments

December 31, 2009
(Expressed in thousands of United States Dollars)

Description	% of Partners' Capital	Fair Value
Investments in securities		
Common stock		
Africa and Middle East		
Basic materials sector	0.88	$ 4,204
Communications sector	0.94	4,537
Financial sector	0.56	2,697
Total for Africa and Middle East (cost $13,451)	2.38	11,438
Asia		
Basic materials sector	0.69	3,306
Consumer, cyclical sector	7.79	37,405
Consumer, non-cyclical sector	1.77	8,521
Diversified sector	1.04	5,006
Energy sector	2.51	12,040
Financial sector	4.61	22,137
Industrial sector	5.89	28,300
Technology sector	3.38	16,243
Total for Asia (cost $112,027)	27.68	132,958
Australia and New Zealand		
Basic materials sector	0.67	3,197
Industrial sector	1.02	4,918
Total for Australia and New Zealand (cost $7,619)	1.69	8,115
Emerging Europe		
Basic materials sector	5.62	27,016
Communications sector	2.67	12,818
Financial sector	0.07	337
Total for Emerging Europe (cost $28,773)	8.36	40,171
Europe		
Basic materials sector (cost $12,346)	2.71	13,009
Latin America		
Basic materials sector	4.76	22,848
Consumer, non-cyclical sector	1.14	5,458
Industrial sector	1.68	8,081
Total for Latin America (cost $32,769)	7.58	36,387

See accompanying notes to consolidated financial statements

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Condensed Schedule of Investments (continued)

December 31, 2009
(Expressed in thousands of United States Dollars)

Description	Number of shares	% of Partners' Capital	Fair Value
Investments in securities (continued)			
Common stock (continued)			
North America			
Basic materials sector		1.60	$ 7,668
Consumer, cyclical sector		0.28	1,355
Energy sector		0.93	4,476
Financial sector		2.23	10,696
Industrial sector		0.10	468
Technology sector		1.70	8,189
Total for North America (cost $31,416)		6.84	32,852
Other			
Commodity			
SPDR Gold Trust (cost $37,771)	337,200	7.53	36,185
Total common stock (cost $276,172)		64.77	311,115
Investments in other investment partnerships (Note 1) (cost $20,701) (Indirect investment in SPDR Gold Trust with fair value of $1,683 (0.35% of partners' capital))		6.07	29,175
Private placements			
Asia		0.06	316
North America		0.08	380
Total private placements (cost $15,063)		0.14	696
Commodity futures options (cost $4,646)		0.39	1,854
Equity index options			
Asia (cost $1,393)		0.06	295
Foreign currency exchange options (cost $14,016)		2.24	10,744
Total investments in securities (cost $331,991)		73.67	$ 353,879

See accompanying notes to consolidated financial statements

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Condensed Schedule of Investments (continued)

December 31, 2009
(Expressed in thousands of United States Dollars)

Description	% of Partners' Capital	Fair Value
Securities sold short		
Common stock		
Asia		
Basic materials sector	(1.52)	$ (7,316)
Consumer, cyclical sector	(0.56)	(2,683)
Financial sector	(2.18)	(10,449)
Funds	(1.09)	(5,230)
Total for Asia (proceeds $25,869)	(5.35)	(25,678)
Australia and New Zealand		
Energy sector (proceeds $2,196)	(0.46)	(2,203)
North America		
Consumer, cyclical sector	(0.26)	(1,274)
Funds	(4.26)	(20,449)
Total for North America (proceeds $21,451)	(4.52)	(21,723)
Total common stock (proceeds $49,516)	(10.33)	(49,604)
Rights		
Australia and New Zealand		
Energy sector (proceeds $22)	(0.00)	(24)
Commodity futures options (proceeds $2,081)	(0.18)	(851)
Foreign currency exchange options (proceeds $227)	(0.05)	(231)
Total securities sold short (proceeds $51,846)	(10.56)	$ (50,710)

See accompanying notes to consolidated financial statements

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Condensed Schedule of Investments (continued)

December 31, 2009
(Expressed in thousands of United States Dollars)

Description	% of Partners' Capital	Fair Value
Unrealized gains on open forward foreign currency exchange contracts	0.54	$ 2,581
Unrealized gains on open commodity futures contracts	0.25	$ 1,191
Unrealized gains on open equity index futures contracts	0.08	$ 376
Unrealized gains on open swap contracts		
Swaps on common stock		
Africa and Middle East		
Basic materials sector	0.00	$ 11
Financial sector	0.00	8
Total for Africa and Middle East	0.00	19
Asia		
Basic materials sector	0.21	1,017
Consumer, cyclical sector	1.02	4,915
Consumer, non-cyclical sector	0.39	1,872
Financial sector	0.03	133
Technology sector	0.03	131
Total for Asia	1.68	8,068
Emerging Europe		
Basic materials sector	0.03	162
Latin America		
Basic materials sector	0.21	997
Consumer, cyclical sector	0.20	957
Financial sector	0.16	767
Total for Latin America	0.57	2,721
Total unrealized gains on open swap contracts	2.28	$ 10,970

See accompanying notes to consolidated financial statements

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Condensed Schedule of Investments (continued)

December 31, 2009
(Expressed in thousands of United States Dollars)

Description	% of Partners' Capital	Fair Value
Unrealized losses on open forward foreign currency exchange contracts	(0.21)	$ (1,007)
Unrealized losses on open commodity futures contracts	(0.01)	$ (26)
Unrealized losses on open equity index futures contracts	(0.09)	$ (450)
Unrealized losses on open swap contracts		
Swaps on common stock		
Africa and Middle East		
Financial sector	(0.09)	$ (452)
Asia		
Consumer, cyclical sector	(0.01)	(38)
Consumer, non-cyclical sector	(0.03)	(153)
Financial sector	(0.08)	(357)
Total for Asia	(0.12)	(548)
Latin America		
Basic materials sector	(0.01)	(37)
Consumer, cyclical sector	(0.13)	(643)
Total for Latin America	(0.14)	(680)
Total swaps on common stock	(0.35)	(1,680)
Swaps on equity indices		
Asia		
Financial sector	(0.03)	(131)
Other	(0.01)	(30)
Total for Asia	(0.04)	(161)
Europe	(0.01)	(50)
Total swaps on equity indices	(0.05)	(211)
Total unrealized losses on open swap contracts	(0.40)	$ (1,891)

See accompanying notes to consolidated financial statements

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Statement of Operations

Year Ended December 31, 2009
(Expressed in thousands of United States Dollars)

Investment income		
Interest	$	4,248
Dividends (net of withholding taxes of $408)		3,943
Total investment income		8,191
Expenses		
Interest		2,037
Dividends on securities sold short		473
General partner's management fee (Note 7)		1,659
Investment expenses (Note 2(j))		2,222
Professional fees		280
Administration fee (Note 8)		797
Total expenses		7,468
Net investment income		723
Realized and unrealized gains and losses on investments		
Net realized gains on sale of investments		135,380
Net change in unrealized gains and losses on investments		105,715
Net realized and unrealized gains and losses		241,095
Net increase in partners' capital from operations	$	241,818

See accompanying notes to consolidated financial statements

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Statement of Changes in Partners' Capital

Year Ended December 31, 2009
(Expressed in thousands of United States Dollars)

	General Partner	Limited Partners	Total
Partners' capital - December 31, 2008	$ 3,259	$ 393,777	$ 397,036
Net increase in partners' capital from operations	2,567	239,251	241,818
Incentive allocation to general partner (Note 7)	1,066	(1,066)	–
Capital transactions			
Capital contributions	–	9,993	9,993
Capital withdrawals	(108)	(168,404)	(168,512)
Capital transactions, net	(108)	(158,411)	(158,519)
Partners' capital - December 31, 2009	$ 6,784	$ 473,551	$ 480,335

See accompanying notes to consolidated financial statements

EVEREST CAPITAL EMERGING MARKETS FUND, L.P.

Consolidated Statement of Cash Flows

Year Ended December 31, 2009
(Expressed in thousands of United States Dollars)

Cash flows from operating activities		
Net increase in partners' capital from operations	$	241,818
Adjustments to reconcile net increase in partners' capital		
from operations to net cash provided by operating activities:		
Net realized gains on sale of investments		(135,380)
Net change in unrealized gains and losses on investments		(105,715)
Amortization of premiums and discounts on debt securities		(3,165)
Purchases of investments in securities		(2,153,111)
Purchases to cover securities sold short		(880,716)
Proceeds from sale of investments in securities		2,229,756
Net proceeds from settlement of derivative financial instruments		77,449
Proceeds from securities sold short		910,688
Change in net assets and liabilities:		
Receivable for investments sold		(1,759)
Dividends and interest receivable		882
Other assets		(105)
Due to brokers		(664)
Payable for investments purchased		7,438
Dividends on securities sold short and interest payable		198
Management fee payable to general partner		105
Accounts payable and accrued liabilities		1,629
Net cash provided by operating activities		189,348
Cash flows from financing activities		
Capital contributions		9,993
Capital withdrawals		(225,829)
Net cash used by financing activities		(215,836)
Net decrease in cash and cash equivalents		(26,488)
Cash and cash equivalents at beginning of year		224,565
Cash and cash equivalents at end of year (Note 3)	$	198,077
Supplementary cash flow information		
Interest paid	$	1,947

See accompanying notes to consolidated financial statements

1. **Organization and description of business**

Everest Capital Emerging Markets Fund, L.P. (the “Partnership”) is a Cayman Islands limited partnership formed by an agreement dated January 3, 1995. On January 16, 2006, the Partnership changed its name from Everest Capital Frontier Fund, L.P. to Everest Capital Emerging Markets Fund, L.P. The Partnership is a master fund in which two feeder funds, Everest Capital Emerging Markets Ltd. (primarily non-US investors) and Everest Capital Emerging Markets, L.P. (primarily US investors) (the “Feeder Funds”) invest. All of the investable assets of these Feeder Funds are invested in the Partnership.

The investment objective of the Partnership is to achieve superior absolute returns by investing primarily in emerging markets. The general partner invests on an opportunistic basis in debt and equity securities which are neglected, distressed or inefficiently priced as well as capital structure arbitrages and special situations.

Everest Capital Limited, a Bermuda company, is the general partner of the Partnership and is responsible for all of the Partnership’s investment decisions (Note 13). The compensation of the general partner is described in Note 7.

As at December 31, 2009, the Partnership is carrying an investment of $29,174,626 (6.1% of partners’ capital) in Everest Capital Asia Fund, L.P., an investment partnership managed by the general partner with an investment objective to achieve capital appreciation by investing primarily in the securities of issuers in Asia and in other countries that will benefit or suffer from Asia’s growth. Upon written notice of 60 days to the general partner of Everest Capital Asia Fund, L.P. (unless waived by its general partner), the Partnership may withdraw all or a part of its investment as of the last business day of each calendar quarter.

As at December 31, 2009, 6.7% of partners’ capital of the Partnership, through direct investment in the Partnership and through investments in feeder funds which invest directly or indirectly in the Partnership, was owned by the general partner, a company under common control with the general partner or a director of the Feeder Funds.

2. **Significant accounting policies**

The following are the significant accounting policies adopted by the Partnership:

(a) Basis of presentation

The accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The consolidated financial statements include the assets, liabilities and results of operations of the Partnership and its wholly owned subsidiary, a special purpose investment company that was dormant in the year ended December 31, 2009. All intercompany balances and transactions have been eliminated upon consolidation.

2. **Significant accounting policies** (continued)

(b) Investment valuation

Investments in securities are valued as follows:

(i) Securities that are listed on a national securities exchange are valued at the last reported sale price on the last business day of the year. In the event that a sale does not occur on the last business day of the year, such securities are valued at the "bid" price if owned and the "asked" price if sold short as reported by the principal securities exchange on which such securities are traded.

(ii) Securities which are traded but for which prices are not available on a national exchange are valued at the last sale price on the last business day of the year, or, if no sales occurred on such day, are valued based upon representative "bid" quotations if owned, and "asked" quotations if sold short, obtained from brokers and national pricing services.

(iii) If the administrator, Citco Fund Services (Bermuda) Limited, in consultation with the general partner determines that the valuation of any security based upon the above procedures does not fairly represent fair value then the administrator values such securities at their fair value as reasonably determined by the general partner.

(iv) Investments in other investment partnerships are valued at fair value based on financial data supplied by the investment partnerships. Changes in unrealized appreciation or depreciation of investments in other investment partnerships are included in the consolidated statement of operations.

(v) Securities for which market values are not readily available are valued at fair value as determined in good faith in consultation with the general partner. The general partner considers certain pertinent factors in determining fair value of these securities including the current economic and competitive environment, the characteristics of the instrument, the financial condition and operating results of the issuer since the date of purchase and the sales price of the security in recent private placements, if any. Therefore, the fair value cannot be determined with precision, cannot be substantiated by comparison to quoted prices in active markets and may not be realized in a current sale or immediate settlement of the asset or liability. Additionally, due to the inherent uncertainty in the valuation, the estimates of fair values may differ significantly from the values that would have been used had a ready market existed for the securities, and the differences could be material.

Accounting guidelines over fair value measurements defines fair value, establishes a framework for measuring fair value using a three-tier hierarchy of inputs to value the Partnership's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized below.

- Level 1 – quoted prices in active markets for identical investments
- Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)
- Level 3 – significant unobservable inputs (including the general partner's own assumptions in determining the fair value of investments)

2. **Significant accounting policies** (continued)

(c) Derivatives

The Partnership uses derivative financial instruments, such as forward foreign currency exchange contracts, futures contracts, options and swaps, which are recorded at fair value at the reporting date. Realized and unrealized changes in fair values are included in realized and unrealized gains and losses on investments in the consolidated statements of operations in the period in which the changes occur.

The fair value of derivative financial instruments at the reporting date generally reflects the amount that the Partnership would receive or pay to terminate the contract at the reporting date. Many of the derivative financial instruments used by the Partnership are exchange traded or are traded in the over-the-counter market where market values are readily obtainable. Some of the tailored derivative financial instruments used by the Partnership are valued based on prices supplied by US broker-dealers or other counterparties.

Unrealized gains or losses on open forward foreign currency exchange contracts are calculated as the difference between the contract rate and the applicable forward rate on the valuation date applied to the face amount of the forward contract.

Unrealized gains or losses on open futures contracts are calculated as the difference between the contract price at the trade date and the contract's closing price on the valuation date as reported on the exchange on which the futures contracts are traded applied to the face amount of the futures contract.

Unrealized gains or losses on open swap and contract for difference transactions are calculated as the change in fair value of the underlying security, index, commodity, or basket of securities applied to the notional amount of the swap or contract for difference. The interest component of the swap or contract for difference is recorded as interest income or expense, as applicable, in the consolidated statement of operations and as interest payable or receivable, as applicable, in the consolidated statement of assets and liabilities.

Unrealized gains or losses on interest rate swap agreements are calculated as the difference between the present value of the future cash flows to be received and those to be paid pursuant to the agreements.

(d) Securities transactions and related investment income

Securities transactions are recorded on a trade date basis.

Dividend income is recorded on the ex-dividend date and is presented net of withholding taxes. Dividends declared on short positions held on the ex-dividend date are recorded as dividend expense.

Interest income and expense are recorded on the accruals basis, except for securities in default for which interest is recognized on the cash basis. Premiums and discounts on debt securities are amortized using the effective interest method.

2. **Significant accounting policies** (continued)

(d) Securities transactions and related investment income (continued)

Realized gains and losses are recorded when the security acquired is sold and unrealized gains and losses are recorded when the security is marked to market. The net realized gain or loss on sales of securities is determined on a first-in, first-out basis unless specifically identified.

As part of a work out or reorganization plan, securities owned by the Partnership may be converted into other types of securities of the same issuer. The cost basis of the security received as a result of these arrangements is equal to the cost basis of the security converted.

(e) Allocation of Partnership net income/loss

At the end of each Fiscal Period, net income or net losses, excluding profits on losses with respect to new issues, are allocated to the capital accounts of all the partners in the proportion that each partner's capital account as of the beginning of such Fiscal Period bore to the sum of the capital accounts of all the partners as of the beginning of such Fiscal Period. Profits and losses with respect to new issues will generally be allocated to the partners in the Partnership who are Unrestricted Persons. The Partnership may, however, avail itself of a *de minimus* exemption, according to the Rules of FINRA, pursuant to which a portion of new issue profits and losses may be allocated to Restricted Persons. A Fiscal Period ("Fiscal Period") commences on the first day of each fiscal year, on each date of any capital contribution to the Partnership and on each date following the date of any withdrawal of capital or retirement from the Partnership.

(f) Repurchase and reverse repurchase agreements

The Partnership enters into repurchase and reverse repurchase agreements. These agreements are accounted for as collateralized investment and financing transactions and are recorded at their contractual amounts, which combined with accrued interest, approximate their fair value. Interest on repurchase and reverse repurchase agreements is accrued on a daily basis.

In connection with repurchase agreements, it is the Partnership's policy that its custodian take possession of the underlying collateral securities. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Partnership may be delayed or insufficient.

(g) Translation of foreign currency security transactions

The fair value of non-US dollar denominated securities ("foreign currency securities") and related balances are translated into US dollars at year end exchange rates. The cost of foreign currency securities and interest and dividend income or expense on these foreign currency securities are translated into US dollars at the transaction date exchange rate. Realized and unrealized gains and losses on investments and interest and dividend income or expense include exchange gains and losses on the translation of foreign currency securities and from forward foreign currency exchange contracts.

(h) Income taxes

No provision has been made in the accompanying consolidated financial statements for United States federal or state income taxes, as any income tax liability arising from the operations of the Partnership is the responsibility of the partners and not that of the Partnership.

2. **Significant accounting policies** (continued)

(i) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, the Partnership considers all investments in money markets funds and repurchase agreements with an original term of ninety days or less as equivalent to cash.

(j) Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the general partner to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in partners' capital from operations during the reporting period. Actual results could differ from those estimates.

The Partnership has investments in the Chinese A-shares of companies listed in the People's Republic of China ("PRC") through the Qualified Foreign Institutional Investor program. The PRC's taxation of gains on A-shares is presently unclear. The general partner has exercised its judgment regarding the likelihood and amount of the potential liability. However, uncertainties exist and the judgment of the general partner may prove incorrect as a result of future clarification by the PRC State Administration of Taxation.

At December 31, 2009, the tax provision included in accounts payable and accrued liabilities on the consolidated statement of assets and liabilities related to Chinese A-shares amounted to $2,034,203 (2008: $61,192). The related expense in the year of $1,973,011 is included in investment expenses in the consolidated statement of operations. In the event a capital gains tax is not imposed, the effective date differs, or the tax rate applied is different than that which was assumed by the general partner, the tax payable may be greater or less than the provision amount.

3. **Cash and cash equivalents**

Cash and cash equivalents (expressed in $000's) at December 31, 2009 consist of the following:

Cash	$	148,577
Morgan Stanley Institutional Liquidity Fund – Government Portfolio		49,500
	$	198,077

At December 31, 2009, cash held in the amount of $88,341,901 was deposited with counterparties as collateral for positions held in derivative financial instruments and securities sold short (Note 5).

4. **Investments in securities**

The general partner of the Partnership has purchased securities in its name with a fair value at December 31, 2009 of $380,480 and has transferred beneficial ownership of these securities to the Partnership. These securities are purchased in such a manner due to high minimum purchase requirements and provide the Partnership and other funds managed by the general partner the ability to own these securities without each fund having to purchase the high minimum amount as well as to reduce transaction costs. Such securities are reflected in the financial statements of the Partnership.

5. **Derivative financial instruments and risk**

In the normal course of business the Partnership purchases and sells various derivative financial instruments to hedge its exposure to risk or to synthetically achieve or alter exposure to a market or segment thereof.

Generally these financial instruments represent future commitments to purchase or sell other financial instruments at specific terms at future dates. The derivative financial instruments may be traded on an exchange or negotiated between contracting parties (over-the-counter).

Derivative financial instruments may result in off-balance sheet market and credit risk.

Market risk is the possibility that future changes in market price may make a financial instrument less valuable or more onerous. If the markets should move against one or more positions that the Partnership holds the Partnership could incur losses greater than the unrealized amounts recorded in the consolidated statement of assets and liabilities.

The principal credit risk is that the counterparty will default and fail to fulfill the terms of the agreement. The Partnership's counterparties are either major US broker-dealers or international banks, both of which are regulated by various agencies and are subject to strict capital adequacy requirements.

The Partnership also sells securities short. Securities sold short are recorded as liabilities in the consolidated statement of assets and liabilities and have market risk to the extent that the Partnership, in satisfying its obligations, may have to purchase securities at a higher value than that recorded on the consolidated statement of assets and liabilities. The Partnership is required to maintain collateral with brokers to secure these short positions.

The derivative financial instruments held by the Partnership, and how they are used to achieve the various objectives of the Partnership, are described in the following paragraphs.

<u>Forward foreign currency exchange contracts</u>

The Partnership uses forward foreign currency exchange contracts to hedge against the effect of adverse movements in foreign exchange rates on security positions and for investment purposes.

5. **Derivative financial instruments and risk** (continued)

Futures contracts

The Partnership uses futures contracts to hedge portfolio market risk and for investment purposes. Upon entering into a futures contract, the Partnership is required to provide initial margin which is a deposit of either cash or securities in an amount equal to a certain percentage of the contract value. The initial margin is adjusted to reflect changes in the value of the futures contract which is marked to market on a daily basis. The Partnership recognizes a realized gain or loss when the contract is closed. Futures contracts expose the Partnership to market and liquidity risks. The Partnership is exposed to market risk to the extent that adverse changes occur in the market values of the underlying securities or indices. The market risk may be in excess of the unrealized amount recognized on the consolidated statement of assets and liabilities. Liquidity risk represents the possibility that the Partnership may not be able to rapidly adjust the size of its futures position in times of high volatility and financial stress at a reasonable price.

Options

The Partnership uses options on specific securities, baskets of specific securities, currencies, commodities, and stock exchange indices to hedge market risks and for investment purposes.

Option contracts provide the option purchaser, for a premium payment, with the right but not obligation to buy or sell a financial instrument at a predetermined exercise price during a specified period.

As a purchaser of an option contract the Partnership is subject to credit risk since the counterparty is obligated to make payments or to deliver the financial instrument under the terms of the contract if the Partnership exercises the option. The Partnership is also exposed to market risk because the value of the option varies with the value of the reference financial instrument. As a writer of an option contract, the Partnership is not subject to credit risk but is subject to market risk since the Partnership is obligated to make payments or to deliver the financial instrument under the terms of the option contract if exercised by the purchaser of the option.

Swap and contract for difference transactions (collectively “swap”)

The Partnership may enter into swap arrangements to synthetically achieve or alter the Partnership’s exposure to a market or segment thereof or to hedge portfolio market risk.

Swap transactions involve the exchange by the Partnership with a counterparty of their respective commitments to pay or receive a net amount based on the change in the market value of a particular bond, equity, commodity, or index and a specified notional holding.

Interest rate swap agreements involve the exchange by the Partnership with another party of their respective commitments to pay or receive interest (e.g. an exchange of floating rate payments for fixed rate payments) with respect to a notional amount of principal.

In addition, the Partnership enters into credit default swaps whereby one counterparty (the “Protection Buyer”) pays a periodic fee, which is expressed in basis points on the notional amount, in return for a payment by the seller of the credit default swap (the “Protection Seller”) that results if a credit event as defined in the swap agreement occurs, such as a default by the reference entity.

5. **Derivative financial instruments and risk** (continued)

Swap and contract for difference transactions (collectively "swap") (continued)

Swap transactions expose the Partnership to (or reduce) market risk equivalent to actually holding the notional amount but typically involve little capital commitment relative to the exposure achieved (or reduced). The Partnership's gains or losses may therefore be magnified compared to the capital commitment.

The terms of certain of the Partnership's swap agreements issued under the ISDA Master Agreement protocol contain provisions that grant the Partnership's counterparty the right to terminate the swap transactions and demand settlement if either the Partnership's capital falls by a specified percentage or below a specified value.

At December 31, 2009, the notional amount of the Partnership's derivative financial instruments are as follows (expressed in $000's):

Long exposure

Commodity futures	$	37,727
Commodity futures options		136,276
Equity index futures contracts		15,105
Equity swap contracts		97,064
Forward foreign currency exchange contracts		2,401
Foreign currency exchange options		72,528
	$	361,101

Short exposure

Commodity futures options	$	136,276
Equity index futures contracts		26,826
Equity swap contracts		18,902
Equity index options		63,834
Equity index swap contracts		21,945
Forward foreign currency exchange contracts		188,881
Foreign currency exchange options		2,585,339
Rights		248
	$	3,042,251

5. **Derivative financial instruments and risk** (continued)

The locations on the consolidated statement of assets and liabilities of the Partnership's derivative positions by type of derivative, all of which are not accounted for as hedging instruments are as follows (expressed in $000's):

	Location on the consolidated statement of assets and liabilities		
Derivative assets			
Commodity futures contracts	Unrealized gains on open commodity futures contracts	$	1,191
Commodity futures options	Investments in securities, at fair value		1,854
Equity swap contracts	Unrealized gains on open swap contracts		10,970
Equity index futures contracts	Unrealized gains on open equity index futures contracts		376
Equity index options	Investments in securities, at fair value		295
Foreign foreign currency exchange contracts	Unrealized gains on open forward foreign currency exchange contracts		2,581
Foreign currency exchange options	Investments in securities, at fair value		10,744
		$	28,011
Derivative liabilities			
Commodity futures contracts	Unrealized losses on open commodity futures contracts	$	26
Commodity futures options	Securities sold short, at fair value		851
Equity swap contracts	Unrealized losses on open swap contracts		1,680
Equity index futures contracts	Unrealized losses on open equity index future contracts		450
Equity index swap contracts	Unrealized losses on open swap contracts		211
Foreign foreign currency exchange contracts	Unrealized losses on open forward foreign currency exchange contracts		1,007
Foreign currency exchange options	Securities sold short, at fair value		231
Rights	Securities sold short, at fair value		24
		$	4,480

5. **Derivative financial instruments and risk** (continued)

The following is a summary of the net realized and change in unrealized gains and losses on investments and net interest and dividend income and expense attributable to derivative financial instruments for the year ended December 31, 2009 (expressed in $000's):

	Net realized gains (losses)	Net change in unrealized gains (losses)	Total
Derivative financial instruments			
Commodity futures contracts	$ 22,648	$ 10	$ 22,658
Commodity futures options	(216)	(1,562)	(1,778)
Commodity forwards	(187)	–	(187)
Equity options	(4,585)	–	(4,585)
Equity swap contracts	39,137	11,110	50,247
Equity index futures contracts	(8,636)	(403)	(9,039)
Equity index options	2,569	(555)	2,014
Index swap contracts	13,491	1,447	14,938
Forward foreign currency exchange contracts	13,550	4,744	18,294
Foreign currency exchange options	(5,361)	4,129	(1,232)
Interest rate swap contracts	(2,554)	3,490	936
Rights	6	(2)	4
	$ 69,862	$ 22,408	$ 92,270

	Net interest income (expense)	Net dividend income (expense)
Derivative financial instruments		
Equity swap contracts	$ (937)	$ 940
Equity index swap contracts	(92)	–
Interest rate swap contracts	(369)	–
	$ (1,398)	$ 940

6. **Fair value of financial instruments**

The following is a summary of the inputs used in valuing the Partnership's investments carried at fair value (expressed in $000's):

	Total	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Common stock				
Basic materials sector	$ 81,248	$ 81,248	$ –	$ –
Commodity sector	36,185	36,185	–	–
Communications sector	17,355	17,355	–	–
Consumer, cyclical sector	38,760	38,760	–	–
Consumer, non-cyclical sector	13,979	13,979	–	–
Diversified sector	5,006	5,006	–	–
Energy sector	16,516	16,516	–	–
Financial sector	35,867	35,867	–	–
Industrial sector	41,767	41,767	–	–
Technology sector	24,432	24,432	–	–
Total common stock	311,115	311,115	–	–
Cash equivalents	49,500	49,500	–	–
Commodity futures	1,191	1,191	–	–
Commodity futures options	1,854	–	1,854	–
Equity index futures	376	376	–	–
Equity index options	295	–	295	–
Investments in other investment partnerships	29,175	–	29,175	–
Foreign currency exchange options	10,744	–	10,744	–
Private placements	696	–	–	696
Other financial instruments*	13,551	–	13,551	–
	$ 418,497	$ 362,182	$ 55,619	$ 696

6. **Fair value of financial instruments** (continued)

	Total	Quoted Prices (Level 1)	Other Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Liabilities				
Common stock sold short				
Basic materials sector	$ 7,316	$ 7,316	$ –	$ –
Consumer, cyclical sector	3,957	3,957	–	–
Energy sector	2,203	2,203	–	–
Financial sector	10,449	10,449	–	–
Funds	25,679	25,679	–	–
Total common stock sold short	49,604	49,604	–	–
Commodity futures	26	26	–	–
Commodity futures options	851	–	851	–
Foreign currency exchange options	231	–	231	–
Equity index futures	450	450	–	–
Rights	24	–	24	–
Other financial instruments*	2,898	–	2,898	–
	$ 54,084	$ 50,080	$ 4,004	$ –

* Other financial instruments include swaps and forward foreign currency exchange contracts.

6. **Fair value of financial instruments** (continued)

The following is a reconciliation of the Partnership's investments for which significant unobservable inputs (Level 3) were used to determine fair value (expressed in $000's):

Instrument	Balance at Dec 31, 2008	Capital Distributions	Included in Net Realized and Net Change in Unrealized Gains and Losses on Investments	Net Purchases (Sales)	Transfers In (Out) of Level 3	Balance at Dec 31, 2009
Private placements	$ 595	$ (2,114)	$ (83)	$ (109)	$ 2,407	$ 696
Investments in other investment partnerships	16,095	–	–	–	(16,095)	–
Total	$ 16,690	$ (2,114)	$ (83)	$ (109)	$ (13,688)	$ 696

The net change in unrealized gains and losses in the consolidated statement of operations attributable to level 3 investments still held at December 31, 2009 (expressed in $000's) includes:

Private placements	$ (83)

7. **General partner's compensation**

The Partnership pays a quarterly management fee of 2.0% per annum of net assets to the general partner. However, such fee is reduced to the extent that corresponding fees are payable to the general partner or an affiliate thereof in the Feeder Funds.

Effective February 1, 2006, the management fee increased from 1.5% to 2% per annum. Special grandfathering provisions are in place that apply to limited partners admitted on or before January 1, 2006 ("Prior Limited Partners"). Under these provisions, the Prior Limited Partners will continue to be charged a management fee of 1.5% per annum. These special grandfathering provisions are in effect as long as Prior Limited Partners remain invested in the Partnership.

The partnership agreement provides that 20% of net profits, as defined, relating to all limited partnership interests shall be credited to the general partner or to certain limited partners as may be designated by the general partner, at its sole discretion, in such proportions as the general partner shall agree. This amount is, in effect, incentive compensation paid to the general partner for profitable performance.

8. Administration fee

Under the terms of the agreement between Citco Fund Services (Bermuda) Limited (the "Administrator") and the Partnership, the Administrator provides accounting and administration services to the Partnership and receives an annual fee based on the net assets of the Partnership, calculated and payable in arrears.

9. Prime broker

The Partnership utilizes a number of prime brokers (each a "Prime Broker"). Under each Prime Brokerage Agreement, all assets of the Partnership held by the Prime Broker and each of the Prime Broker's affiliated companies are subject to a general lien and a continuing first priority perfected security interest in favor of the Prime Broker and therefore constitute collateral security for the Partnership's obligations and liabilities to each Prime Broker.

10. Taxation

Under current Cayman Islands law, the Partnership is not required to pay any taxes on income, profits or capital gains. On April 13, 1999, the Partnership obtained an undertaking from the Cayman Islands' authorities exempting it from such taxes for a period of 50 years from the date such undertaking was issued.

11. Financial highlights

Financial highlights for the Partnership[1] are as follows:

	%
Total return	
Total return for the year before incentive allocation	77.99
Incentive allocation	(0.39)
Total return for the year after incentive allocation	77.60
Ratios to average partners' capital	
Total investment income	1.84
Net investment income excluding incentive allocation	0.16
Operating expenses[2]	1.68
Incentive allocation	0.24
Total operating expenses and incentive allocation	1.92

[1] Total return and ratios are calculated based on the limited partners' interest in the Partnership. Individual Feeder Fund returns and ratios are shown in the attached Feeder Fund financial statements. An investor's results may vary from the total return and ratios shown above due to different management and incentive fee arrangements (as applicable), the existence of loss carry-forwards and the timing of capital transactions.

[2] Includes dividend and interest expense.

12. **Contingent liability**

The Partnership sold its claims against Lehman Brothers Holdings Inc. and Lehman Brothers International (Europe) relating to their respective bankruptcies for proceeds of $2,214,888 on December 7, 2009. As part of the sale agreement, the Partnership is committed to repay the purchaser any amount of the claims, up to the purchase price, which is disallowed, plus interest of average LIBOR plus 4.50% per annum.

13. **Subsequent events**

Effective January 1, 2010, Everest Capital LLC replaced Everest Capital Limited as general partner.

The general partner has assessed and evaluated all subsequent events arising from the date of the consolidated statement of assets and liabilities up until March 19, 2010 and has concluded that, apart from the above, no additional disclosure is required.